

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

In re: \_\_\_\_\_

Chapter 11 Case No.

**Lehman Brothers Holdings Inc., et al.,**

08-13555

\_\_\_\_\_  
Debtors.

**JUNE 2017 POST-EFFECTIVE OPERATING REPORT**

JUNE 1, 2017 – JUNE 30, 2017

**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**

DEBTORS' ADDRESS: LEHMAN BROTHERS HOLDINGS INC.  
c/o KRISTINE DICKSON  
CHIEF FINANCIAL OFFICER  
1271 AVENUE OF THE AMERICAS  
40th FLOOR  
NEW YORK, NY 10020

DEBTORS' ATTORNEYS: WEIL, GOTSHAL & MANGES LLP  
c/o JACQUELINE MARCUS, GARRETT A. FAIL  
767 FIFTH AVENUE  
NEW YORK, NY 10153

REPORT PREPARER: LEHMAN BROTHERS HOLDINGS INC., AS PLAN ADMINISTRATOR

Date: July 28, 2017

**SCHEDULE OF DEBTORS**

The twenty three entities listed below (the “Debtors”) filed for bankruptcy in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) on the dates indicated below. On December 6, 2011, the Bankruptcy Court confirmed the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors (the “Plan”). On March 6, 2012, the “Effective Date” (as defined in the Plan) occurred. As of the date hereof, the following Debtors’ chapter 11 cases remain open:

	<b>Case No.</b>	<b>Date Filed  (“Commencement  Date”)</b>
Lehman Brothers Holdings Inc. (“LBHI”) .....	08-13555	9/15/2008
Lehman Brothers Commodity Services Inc. (“LBCS”) .....	08-13885	10/3/2008
Lehman Brothers Special Financing Inc. (“LBSF”) .....	08-13888	10/3/2008
Lehman Brothers OTC Derivatives Inc. (“LOT”).....	08-13893	10/3/2008
Lehman Brothers Derivative Products Inc. (“LBDP”) .....	08-13899	10/5/2008
Lehman Commercial Paper Inc. (“LCPI”).....	08-13900	10/5/2008
Lehman Brothers Commercial Corporation (“LBCC”) .....	08-13901	10/5/2008
Lehman Brothers Financial Products Inc. (“LBFP”) .....	08-13902	10/5/2008
Lehman Scottish Finance L.P. ....	08-13904	10/5/2008
BNC Mortgage LLC .....	09-10137	1/9/2009
LB Rose Ranch LLC .....	09-10560	2/9/2009
Structured Asset Securities Corporation.....	09-10558	2/9/2009

The following Debtors’ chapter 11 cases were closed in 2016, pursuant to final decrees entered by the Bankruptcy Court (Docket No. 51920 and Docket No. 54163):

	<b>Case No.</b>	<b>Date Filed</b>	<b>Date Closed</b>
LB 745 LLC.....	08-13600	9/16/2008	1/28/2016
PAMI Statler Arms LLC.....	08-13664	9/23/2008	1/28/2016
CES Aviation LLC .....	08-13905	10/5/2008	1/28/2016
CES Aviation V LLC.....	08-13906	10/5/2008	1/28/2016
CES Aviation IX LLC .....	08-13907	10/5/2008	1/28/2016
LB 2080 Kalakaua Owners LLC .....	09-12516	4/23/2009	1/28/2016
LB Somerset LLC .....	09-17503	12/22/2009	1/28/2016
LB Preferred Somerset LLC .....	09-17505	12/22/2009	1/28/2016
East Dover Limited.....	08-13908	10/5/2008	12/15/2016
Luxembourg Residential Properties Loan Finance S.a.r.l.....	09-10108	1/7/2009	12/15/2016
Merit LLC.....	09-17331	12/14/2009	12/15/2016

The Company has established an email address to receive questions from readers regarding its financial disclosures. The Company plans to review questions received, and for those subjects which the Company determines a response would not (i) violate a confidentiality provision, (ii) place the Company in a competitive or negotiation disadvantage, or (iii) be unduly burdensome relative to the value of information requested, the Company shall endeavor to post a response (maintaining the anonymity of the originators of the questions). The Company assumes no obligation to respond to email inquiries.

**Please email questions, with document references as relevant, to:**

**[QUESTIONS@lehmanholdings.com](mailto:QUESTIONS@lehmanholdings.com)**

**The Company’s previously posted responses can be found on the Epiq website maintained for the Company:**

**[www.lehman-docket.com](http://www.lehman-docket.com) under the Key Documents tab and the Responses to Questions Submitted category**

**LEHMAN BROTHERS HOLDINGS INC. AND OTHER DEBTORS AND DEBTOR-CONTROLLED  
ENTITIES**

**BASIS OF PRESENTATION  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS  
JUNE 1, 2017 – JUNE 30, 2017**

The information and data included in this June 2017 Post-Effective Operating Report (the “Operating Report”) are derived from sources available to Lehman Brothers Holdings Inc. (“LBHI”), as Plan Administrator, and its Controlled Entities (collectively, the “Company”). The term “Controlled Entities” refers to those entities that are directly or indirectly controlled by LBHI, and excludes, among others, those entities that are under separate administrations in the United States or abroad. LBHI and certain of its Controlled Entities filed for protection under Chapter 11 of the Bankruptcy Code, and those entities are referred to herein as the “Debtors”. The Debtors’ Chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure. LBHI has prepared this Operating Report, which includes certain information as required by the Office of the US Trustee, based on the information available to LBHI at this time, but notes that such information may be incomplete and may be materially deficient in certain respects. This Operating Report is not meant to be relied upon as a complete description of the Debtors, their business, condition (financial or otherwise), results of operations, prospects, assets or liabilities. LBHI reserves all rights to revise this report.

**Other items:**

1. This Operating Report is not prepared in accordance with U.S. generally accepted accounting principles (GAAP), is not audited and will not be subject to audit or review by the Company’s external auditors at any time in the future. Cash balances and activity denominated in foreign currencies have been converted to US Dollars.
2. Beginning and ending balances include demand deposits, interest-bearing deposits with banks, U.S. and foreign money-market funds, U.S. government obligations, U.S. government guaranteed securities, investment grade corporate bonds and commercial paper, and AAA-rated asset-backed securities secured by auto loans and credit card receivables.
3. Beginning and ending cash balances are based on preliminary closing numbers and are subject to adjustment.
4. Beginning and ending cash and investment balances exclude the following:
  - Cash posted as collateral for hedging activity; and
  - Cash held at third party real estate asset managers.

LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities  
Schedule of Cash Receipts and Disbursements  
June 1, 2017 - June 30, 2017

Unaudited (\$ in millions, foreign currencies reflected in USD equivalents)

			Debtors			Debtor-Controlled	Total Debtors and								
			LBHI	LBSF	LCPI	Other	Total	Entities	Debtor-Controlled						
								Total	Entities						
Beginning Free Cash and Investments (06/01/17)		\$	37	\$	33	\$	100	\$	360	\$	530	\$	225	\$	754
Sources of Cash															
Commercial Real Estate			0	-	-	-	-	0	0	0	0	0	0	0	0
Loans (Corporate and Residential)	(a)		43	-	0	-	-	43	0	44	44	44	44	44	44
Private Equity / Principal Investing	(b)		0	-	-	-	-	0	39	39	39	39	39	39	39
Derivatives			-	1	-	-	-	1	0	1	1	1	1	1	1
Receipts from Affiliates			6	-	-	-	-	6	-	6	6	6	6	6	6
Other			1	0	-	-	0	2	2	4	4	4	4	4	4
Total Sources of Cash			51	1	0	0	0	52	40	93	93	93	93	93	93
Uses of Cash															
Non-Operating															
Commercial Real Estate			(0)	-	0	-	-	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Loans (Corporate and Residential)			(0)	-	-	-	-	(0)	-	(0)	(0)	(0)	(0)	(0)	(0)
Other			(8)	-	-	-	-	(8)	(0)	(9)	(9)	(9)	(9)	(9)	(9)
Operating Expenses	(c)														
Compensation and Benefits	(d)		(4)	-	-	-	-	(4)	(0)	(4)	(4)	(4)	(4)	(4)	(4)
Professional Fees			(13)	(0)	(0)	-	-	(13)	(0)	(13)	(13)	(13)	(13)	(13)	(13)
Other			(1)	(0)	(0)	(0)	(0)	(1)	(0)	(1)	(1)	(1)	(1)	(1)	(1)
Total Uses of Cash			(26)	(0)	0	(0)	(0)	(25)	(3)	(29)	(29)	(29)	(29)	(29)	(29)
Total Cash From Operations			25	1	0	0	0	27	37	64	64	64	64	64	64
Post-Petition Inter-Company Receipts			3	29	22	0	54	1	55	55	55	55	55	55	55
Dividend Receipts			-	-	-	-	-	1	1	1	1	1	1	1	1
Total Inter-Company Transfers Receipts	(e)		3	29	22	0	54	2	56	56	56	56	56	56	56
Post-Petition Inter-Company Disbursements			(1)	-	(1)	-	(1)	(54)	(55)	(55)	(55)	(55)	(55)	(55)	(55)
Dividend Disbursements			-	-	-	-	-	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Total Inter-Company Transfers Disbursements	(e)		(1)	-	(1)	-	(1)	(54)	(56)	(56)	(56)	(56)	(56)	(56)	(56)
Payments to Creditors - Non-Controlled Affiliates			-	-	-	-	-	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Payments to Creditors - Other			(0)	-	-	-	-	(0)	-	(0)	(0)	(0)	(0)	(0)	(0)
Total Payments to Creditors			(0)	-	-	-	-	(0)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Other			1	(0)	0	0	0	(0)	(0)	0	0	0	0	0	0
Reclass from/(to) Restricted Cash to Free Cash			(0)	0	-	(0)	(0)	28	27	27	27	27	27	27	27
Net changes in Free Cash and Investments			27	30	22	0	79	11	91	91	91	91	91	91	91
Ending Free Cash and Investments (06/30/17)			64	63	122	360	609	236	845	845	845	845	845	845	845
Beginning Restricted Cash (06/01/17)			3,283	833	7	182	4,304	55	4,358	4,358	4,358	4,358	4,358	4,358	4,358
Other			0	(0)	-	0	0	(28)	(27)	(27)	(27)	(27)	(27)	(27)	(27)
Net Changes in Restricted Cash			0	(0)	-	0	0	(28)	(27)	(27)	(27)	(27)	(27)	(27)	(27)
Ending Restricted Cash (06/30/17)			3,283	833	7	182	4,304	27	4,331	4,331	4,331	4,331	4,331	4,331	4,331
Beginning Total Cash and Investments (06/01/17)			3,319	866	107	542	4,833	280	5,113	5,113	5,113	5,113	5,113	5,113	5,113
Net changes in Free Cash and Investments			27	30	22	0	79	11	91	91	91	91	91	91	91
Net changes in Restricted Cash			0	(0)	-	0	0	(28)	(27)	(27)	(27)	(27)	(27)	(27)	(27)
Ending Total Cash and Investments (06/30/17)	(f)	\$	3,347	\$	895	\$	129	\$	542	\$	4,913	\$	263	\$	5,176

All values that are exactly zero are shown as "-". Values between zero and \$0.5 million appear as "0".  
Totals may not foot due to rounding.

**LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities**  
**Schedule of Cash Receipts and Disbursements**  
**June 1, 2017 - June 30, 2017**

Unaudited (\$)

**Notes:**

- (a) Cash collections at LBHI relate to sale of residential mortgage securities.
- (b) Cash collections at Debtor-Controlled Entities primarily include receipts related to (i) the sale of shares of Liberty Media Corporation Series C Liberty Formula One common stock; the shares sold were part of the proceeds received from the sale of Formula One to Liberty Media Corporation (refer to the Quarterly Financial Report as of June 30, 2016 [Docket No. 53697] for additional information). The cash proceeds from this sale of shares were subsequently transferred to LCPI as beneficial owner of the Formula One investment; this transfer is reflected in Post-Petition Inter-Company Receipts and Disbursements, and (ii) distributions from limited partnership interests.
- (c) A portion of the Operating Expenses paid by LBHI is subject to allocations to, and reimbursement from, various Debtors and Debtor-Controlled Entities.
- (d) Compensation and Benefits includes the Company's employee expenses as well as fees paid to Alvarez & Marsal (A&M).
- (e) Inter-Company Receipts and Disbursements include partial repayments on intercompany balances, and dividends distributions.
- (f) Ending Total Cash and Investments for Debtor-Controlled Entities - Other includes \$9 million of cash balances at Debtor-Controlled Entities in Asia.